

We protect your property

Consumer Organization Collective Litigation System

Injunction

Redress for damage



Consumer organizations certified by the Prime Minister request for an **injunction** against improper conduct by businesses and **redress** the damages on behalf of consumers.



What is “injunction” ?

It is a system which allows **Qualified Consumer** businesses such as “unreasonable solicitation,”

What is Qualified Consumer Organization?

It is a consumer organization which meets the following requirements and has been certified by the Prime Minister as having the qualifications necessary to request an injunction.

- It must be a specified nonprofit organization, general incorporated association, or general incorporated foundation.
- It must undertake as its main objective activities to protect the interests of many unspecified consumers and continue such activities properly for a reasonable period of time.
- It must have appropriate organizational structures and operational rules for injunction.
- It must secure experts in consumer affairs and law.
- It must have an accounting foundation.

Cases subject to injunction are:

When a business conducts or may conduct illegal and improper conduct to many unspecified consumers in violation of the Consumer Contract Act and other respective Acts.

(*In addition to the Consumer Contract Act, it is specified in the Act against Unjustifiable Premiums and Misleading Representations, the Act on Specified Commercial Transactions, and the Food Labeling Act.)

Unreasonable solicitation
such as lying

Improper contract provisions
such as no mentioning of
cancellation clause

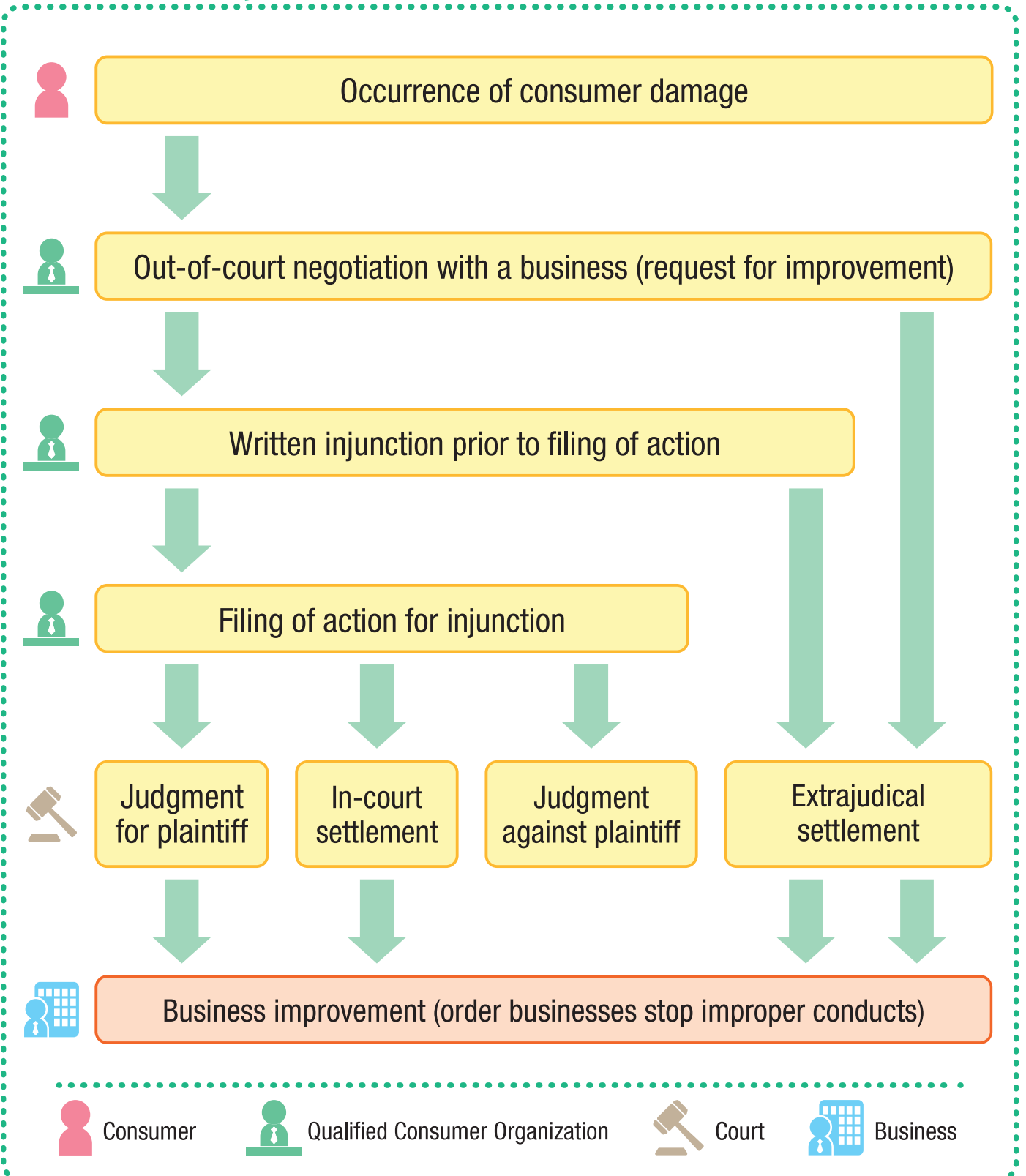
Misleading representation where
the contents of goods or services
are portrayed as if they are
superior to what they actually are.



**Qualified Consumer Organizations request
to stop improper conduct by businesses.**

Organizations to request to stop improper conduct by “improper contract provisions” and “misleading representation.”

Flow of injunction





What is “redress for damage” ?

It is a system which allows **Specified Qualified** the financial detriment commonly incurred by a

What is Specified Qualified Consumer Organization?

It is a consumer organization which meets the following requirements and has been certified by the Prime Minister as having the qualifications necessary for conducting court proceedings to redress the damage.

- It must provide services related to injunction continuously and properly for a reasonable period of time.
- It must have appropriate organizational structures and operational rules for redress for damage.
- It must have a lawyer appointed as a director.

Damages to be redressed include:

Those damages which obligate a business to pay a certain monetary amount to a consumer who has been incurred damage according to a contract concluded between the consumer and the business. (*However, solatia and medical expenses are excluded.)

Fraudulent private equity transactions

Fabrication of earthquake resistance of condominiums

English conversation schools that do not refund the tuition despite a student early termination of the course

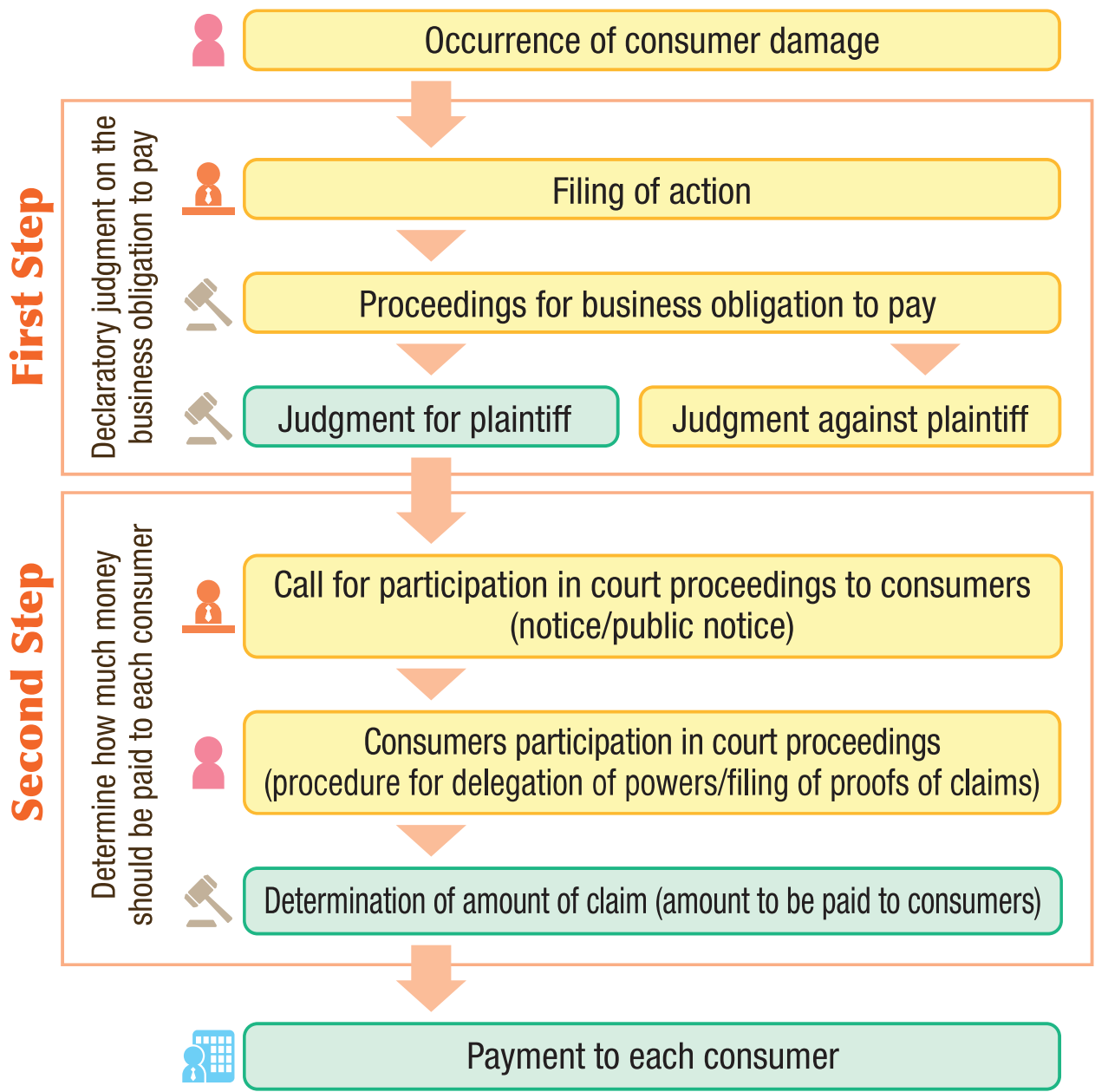


Specified Qualified Consumer Organizations undertake court proceedings for redress for damage on behalf of consumers to recover the amount of damages from businesses.

Consumer Organizations to request collective redress for considerable number of consumers.

Flow of redress for damage <two-step litigation system>

A **Specified Qualified Consumer Organization** files an action seeking a declaratory judgment on a business obligation to pay (first step). After the declaratory judgment becomes final and binding, the amount of claim (amount of refund) for each consumer who is incurred damage is determined (second step).



Consumer
 Specified Qualified Consumer Organization
 Court
 Business

We will now answer your questions!



Injunction

Q1 What should I do if I find unreasonable solicitation, improper contract provisions, or misleading representation?

A Please **provide information to Qualified Consumer Organizations**.
Qualified Consumer Organizations will investigate and analyze such acts based on the information obtained. If improper conduct is identified, they request the business to improve or discontinue such act.

Q2 What should I do if I am in trouble due to improper conduct?

A If you wish to solve the trouble individually, please **consult Consumer Affairs Centers** located across Japan (please call the “Consumer Hotline (“188” with no area code)).
If you would like to obviate similar problem you faced, feel free to consult Qualified Consumer Organizations. They will take measures described in Q1 based on the content of your consultation.

Redress for damage

Q3 What should I do if I wish to recover the money that I paid (redress the damage)?

A Please consult **Specified Qualified Consumer Organizations**.
(It is also possible to consult Consumer Affairs Centers located across Japan to resolve the issue individually. In such case, please call the Consumer Hotline (“188” with no area code)).

Q4 Why is the system to redress the damage in the two-step litigation system?

A Because the two-step system will make it **easier for consumers to participate in proceedings**.
If consumers are not sure if they can recover money from a business, many consumers hesitate to participate in proceedings. Therefore, this system is designed to first determine that the business has an obligation to pay for the damage in the first-step proceedings, and then allow consumers to participate in the second-step proceedings that determines ‘who gets how much’ based on the result of the first-step proceedings.

Q5 Can I recover money (redress the damage) all by myself?

A First, please consult **Specified Qualified Consumer Organizations**.
If the same damage as you have suffered is incurred in **many consumers**, Specified Qualified Consumer Organizations will conduct proceedings to recover money.

Q6 Is it possible to claim for solatia or medical expenses by using the system to redress the damage?

A It is **not possible to claim for solatia or medical expenses** by using this system. Because circumstances of individual consumers who have suffered damages widely vary, even if it is determined that a business has an obligation to pay money, it is difficult to simply and promptly determine how much money should be paid to each individual consumer.

Q7 Does it cost money to have damage redressed through the system?

A **Yes, it does.** A certain amount is needed for Specified Qualified Consumer Organizations to conduct court proceedings. Therefore, to have damage redressed through this system, consumers **are required to pay certain legal fees and remunerations** to Specified Qualified Consumer Organizations. For details, please see the regulations concerning remunerations and fees payable to each Specified Qualified Consumer Organization posted on the website of the Consumer Affairs Agency.

Q8 After consulting a Specified Qualified Consumer Organization, I have received a notice from this Organization to urge me to participate in proceedings. What should I do?

A If you wish to recover money from a business through this system, please **contact the Specified Qualified Consumer Organization to participate in the proceedings** in accordance with that notice.

If you do not participate in the proceedings, you will not be able to recover money through this system.

Whether the notice is authentic and from the Specified Qualified Consumer Organization, please be sure to check the website of the Consumer Affairs Agency or call the Consumer Hotline (“188” with no area code).

Q9 I have not yet received a notice from a Specified Qualified Consumer Organization. Does it mean I cannot recover money?

A If the Specified Qualified Consumer Organization did not know the damage that you have suffered, you would not receive the notice described in Q8.

However, **Specified Qualified Consumer Organizations widely encourage consumers to participate in proceedings through Internet.** If you see such information, please contact Specified Qualified Consumer Organizations promptly to participate in proceedings.

Q10 What is the “Consumer Smile Fund”?

A It is the group which supports the activities of Specified Qualified Consumer Organizations and Qualified Consumer Organizations.

Both Organizations need a certain amount of funds to perform their activities. The “Consumer Smile Fund,” a specified nonprofit organization, asks businesses and individuals for contributions and **supports activities of Specified Qualified Consumer Organizations through the aid.** For more information about the “Consumer Smile Fund,” please see the following website. (<http://www.smile-fund.jp/>)

For more information, please visit the website
of the Consumer Affairs Agency.

<https://www.caa.go.jp>



*Japanese only

